

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-251-E

In the Matter of

Progress Energy Carolinas, Inc.'s Application)	
For the Establishment of Procedures to)	
Encourage Investment in Energy Efficient)	POST-HEARING BRIEF
Technologies; Energy Conservation Programs;)	OF WAL-MART STORES
And Incentives and Cost Recovery for Such)	EAST, LP
Programs)	

Intervenor, Wal-Mart Stores East, LP ("Wal-Mart") files this brief in support of the adoption of the Stipulation filed in this docket on January 23, 2009.

I. INTRODUCTION

On June 27, 2008, pursuant to S.C. Code Ann. § 58-37-20 (Supp. 2008), and S.C. Code Ann. Regs. 103-819, 103-820 and 103-823 (Supp. 2008), Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. ("PEC") filed an application with the Public Service Commission of South Carolina ("the Commission") requesting the Commission establish procedures that encourage PEC to invest in cost effective energy efficient technologies and energy conservation programs. PEC also requested the Commission approve the establishment of an annual rider to allow recovery of all costs associated with such programs and the recovery of an appropriate incentive for investing in such programs. Thereafter, the Commission established Docket No. 2008-251-E.

Wal-Mart, among other parties, intervened in this matter. On January 22, 2009, Wal-Mart caused to be filed the direct testimony and exhibits of Steve W. Chriss. On January 23,

2009, Wal-Mart, along with PEC, Nucor Steel – South Carolina (“NUCOR”) and the Office of Regulatory Staff (“ORS”) entered into the Stipulation, which was then filed with this Commission. On February 12, 2009, a hearing was held in this matter and Wal-Mart participated. Specifically, Wal-Mart presented Steve W. Chriss, Manager, Rate Proceedings, of Wal-Mart Stores, Inc. who offered direct testimony, which was read into the hearing record.

Mr. Chriss testified in support of the stipulation. Mr. Chriss provided economic reasoning and support for the opt out provision contained in subsection (f) contained in Exhibit 1 to the Stipulation. Mr. Chriss testified that large commercial and industrial customers often invest in DSM programs on their own. Large commercial and industrial customers face competition on local, regional, and global scales. Managing energy costs is an important part of staying competitive. DSM measures are a cost-effective means of reducing energy demand, consumption, and most importantly, cost.

Mr. Chriss pointed out that there are several benefits to PEC’s customers that result from implementing the opt out provision for industrial and large commercial customers. First, when large customers are given the option to opt out of the utility programs, those opting out will have more capital available to proactively invest in their own energy efficiency and DSM programs. Additionally, individual customers, who best understand their unique business operations, will be able to create programs tailored to maximize the impact of the DSM measures installed in their facilities. Additionally, due to the size and scope of the measures they can implement, those customers will benefit from the competitive marketplace for energy efficiency goods and services, as energy service companies compete to provide the most innovative and cost-effective products to those customers.

Finally, Mr. Chriss articulated with respect to the proposed opt out, that the individual customer assumes all of the risk of the investment (such as the risk that the installed measure will in fact conserve and reduce energy use), as opposed to having that risk passed onto other ratepayers. Thus, the customer will have every incentive to ensure that the implemented measures are cost-effective and as a result, both the individual large customer as well as the utility's other customers benefit.

According to Wal-Mart witness Chriss, a commercial customer that implements DSM measures on its own yields network benefits for all of the utility's other customers. These network benefits include reduced overall energy costs that result from the reduced load and demand on the system. An additional network benefit is the increased reliability that results from the commercial customers reduced energy demand. The utility's other customers enjoy all of these network benefits without having to fund such measures through their rates or additional recovery riders. Essentially, those large customers who have undertaken their own conservation and energy efficiency programs provide these benefits to all other customers at no cost to ratepayers.

II. ARGUMENT

Wal-Mart asks that this Commission adopt the Stipulation in its entirety. The Stipulation represents an arm's length negotiation between the PEC, ORS, NUCOR and Wal-Mart. Wal-Mart strongly endorses adoption of the Joint Proposed Order Of The Office Of Regulatory Staff And Carolina Power And Light Company, D/B/A Progress Energy Carolinas, Inc. because it believes that its adoption facilitates approval of the Stipulation, which Wal-Mart holds is inherently reasonable, lawful and in the public interest.

Respectfully submitted,



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DATED: April 10, 2009

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the Post-Hearing Brief of Wal-Mart Stores East, LP was served by regular U.S. mail, postage prepaid, on this 10th day of April, 2009 on the following:

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